



AUG 30 2004

The Honorable Ted Kulongoski
Governor of Oregon
900 Court Street NE
Salem, Oregon 97301

Dear Governor Kulongoski:

It is with pleasure that I respond to the State of Oregon's request for a waiver of statutory and regulatory requirements under the Workforce Investment Act (WIA). This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, subtitles B and E and Sections 8-10 of the Wagner-Peyser Act.

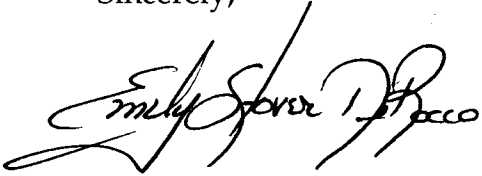
The State of Oregon is seeking a waiver to allow transfer of up to 50 percent of the state rapid response funds to the Governor's reserve funds for statewide activities in order to meet employer demand for incumbent worker training. According to the state, a waiver will increase the effectiveness of its Employer Workforce Training Fund by promoting business involvement and reducing administrative burden. In its submission (copy enclosed), the state has provided assurances that it will continue to carry out all required rapid response activities and will maintain its ability to respond to worker dislocations in collaboration with employers, labor unions and other stakeholders.

The waiver is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c) and appears to meet the standard for approval at 20 CFR 661.420(e). Based on the assurances provided by the state, we are granting a waiver of the language limiting the authority to provide the activities at WIA Sections 134(a)(1)(B) and 129(b) to statewide reserve funds. This waiver permits the state to use up to 50 percent of the funds reserved for rapid response activities at WIA Section 133(a)(2) to provide the statewide activities authorized at WIA Section 134(a)(3), in the manner specified in the waiver plan, through June 30, 2005. Although we are not approving a transfer of funds as requested in the state's submission, we believe the waiver meets the state's goals.

The granted waiver is incorporated by reference into the state's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and also constitutes a modification of the state's approved five-year strategic plan. A copy of the letter should be filed with the state's WIA Grant Agreement and the state's approved five-year strategic plan, as appropriate.

We look forward to continuing our partnership with you and achieving better workforce investment outcomes. We are prepared to entertain other state and local-level waiver requests that you may wish to submit, consistent with the provisions of the WIA statute and regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Emily Stover DeRocco". The signature is fluid and cursive, with the first name "Emily" being the most prominent.

Emily Stover DeRocco

Enclosure